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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

October 24, 1994

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FEDERAL COMMUNICATIONS COMMISSION
COMMUNICATIONS SECRETARY

The Honorable Jesse Helms
United States Senate
Attention: Walter Price
403 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Helms:

This letter responds to your correspondence on behalf of Randall McCarty regarding charges on his telephone bill and relating to information services provided on 800 numbers. Your letter, as well as the complaint of your constituent, has been referred to the Enforcement Division of the Common Carrier Bureau for review. The Enforcement Division will communicate with your constituent upon completion of its review.

The Telephone Disclosure and Dispute Resolution Act (TDDRA) was enacted by Congress in 1992 and required both the Federal Communications Commission and the Federal Trade Commission (FTC) to adopt rules governing the provision of pay-per-call services. Under the TDDRA, the FCC has jurisdiction over the telecommunications carriers involved in the transmission and billing of the telephone calls, while the Federal Trade Commission has jurisdiction over the information service companies themselves.

The TDDRA generally required pay-per-call services to be provided on 900 telephone numbers and generally prohibited the provision of these services on 800 numbers, except in instances where the caller has entered into a presubscription agreement or comparable arrangement with the information service provider. Pursuant to the Commission's rules, which became effective on September 24, 1993, a presubscription agreement entails a formal contractual understanding whereby the consumer is provided clearly and conspicuously all terms and conditions associated with the use of the service and affirmatively agrees to abide by them.

The Commission has received numerous complaints similar to those described by your constituent. These complaints are processed by the Enforcement Division of the Common Carrier Bureau by serving a copy of the complaint upon the telecommunication carriers involved, who must generally respond in writing within 30 days. Beyond reviewing these

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complaints and pursuing appropriate action to resolve them, the Commission has undertaken several efforts. First, Common Carrier Bureau staff has met with the carriers that provide the billing service for calls to 800 numbers as well as interexchange carriers who provide the 800 number transport to emphasize their obligations under the TDDRA and the rules of the Commission. Secondly, because the increase in the number of complaints has been so significant, we have started an investigation of these practices, with special focus on whether any companies have attempted to evade or violate our rules. Additionally, as part of the effort to make clear the carriers' responsibilities under the law, the Common Carrier Bureau has recently issued a ruling holding that the information provider's receipt of the originating telephone number, a practice that was serving as the premise of some charges, does not in itself constitute a presubscription agreement.

Moreover, on August 2, 1994, the Commission instituted a Notice of Proposed Rulemaking seeking to strengthen Commission rules to prevent abusive and unlawful practices under the TDDRA. Specifically, the Commission has sought public comment on a proposal to require that a presubscription agreement be established only with a legally competent individual and executed in writing, and that common carriers obtain evidence of the written agreement before issuing a telephone bill that contains charges for presubscribed information services. Under the proposed rules, these telephone bills could be addressed only to the individual who actually entered into the presubscription arrangement, not to the person or company whose telephone was used to place the call. The Commission has tentatively concluded that this and other proposed changes would significantly assist in eliminating the source of many consumer complaints. Enclosed is a summary of the Commission's action in this regard.

We appreciate receiving your correspondence. Please call upon us if we can provide any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen M.H. Wallman", written over a horizontal line.

Kathleen M.H. Wallman
Chief
Common Carrier Bureau

Enclosure

United States Senate

WASHINGTON DC 20510-3301

CCB
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August 10, 1994

Mrs. Lauren Belzin
Acting Director, Office of
Legislative Affairs
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

Dear Mrs. Belzin:

It is my desire to respond to all inquiries and communications from my constituents and others. In keeping with that policy, I would appreciate your attention to the attached inquiry from Mr. Randall McCarty regarding his concerns with 900 phone sex lines.

Please address any related information on this issue to Mr. Walter Price of my staff.

Thank you for your assistance in this matter.

Kindest regards.

Sincerely,



JESSE HELMS:wp

July 19th, 1994.

HONORABLE JOSSE HELMS
U.S. SENATOR FOR N.C.

94 JUL 27 AM 10:50

DEAR SENATOR HELMS,

I Recently Had Attempted to use A 1-900 Service.
My intent was to obtain technical Assistance with A
Computer Software problem. By accident, I mis-dialed
By one digit. INSTEAD OF REACHING IBM, I connected
to some phone Sex Line. I immediately hung up the
phone. First, I attempted to get help clearing this
mis-dial By contacting A Southern Bell operator.
They informed me that they could provide NO ASSISTANCE.
THE REASON I AM CONTACTING you for help is this.
Currently, there is NO Recourse for a consumer to
immediately resolve A mis-dialed 1-900 Service.
The Response I got WAS "WAIT UNTIL THE BILL
ARRIVES, locate the long distance CARRIER, AND
Refuse to pay". I consider this Response to
Be unsatisfactory. I contacted the N.C. Public
Utilities Commission to voice my concern.

they were able to locate the long distance CARRIER for the errant connection. I greatly Regret having a toll charge on my phone Record indicating my use of an offensive service.

Legislation is needed to address the 1-900 Service & the consumers ability to resolve issues Such-As I have related to you.

Also, Senator I suggest that these phone sex Services be separated or isolated to their Own Area Code, much like movies are coded P, PG, R & X. This can prevent accidental Connections being made by misdialing a Number. As an Aside I have now Blocked All 900 outgoing from my Residential phone. It is unfortunate that valid Business use of 900 Be at risk of connections, such as I experience. I'm sure IBM would not like to share a ONE digit commonality with Phone Sex, if they could Avoid it.

his issue of consumer isolation from getting
problems resolved needs attention.

Thank you for your time

Sincerely,

Randall L. McCarty
RANDALL L. MCCARTY
2037 Englewood drive
Apex, N.C.

27502-9341



Federal Communications Commission
Washington, D.C. 20554

October 24, 1994

The Honorable Alan Wheat
Member, House of Representatives
811 Grand Avenue, #935
Kansas City, Missouri 64106-1997

Dear Congressman Wheat:

This letter responds to your correspondence on behalf of Kenneth Paton regarding charges on his telephone bill and relating to information services provided on 800 numbers. Your letter, as well as the complaint of your constituent, has been referred to the Enforcement Division of the Common Carrier Bureau for review. The Enforcement Division will communicate with your constituent upon completion of its review.

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The Honorable Alan Wheat
Page 2

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Common Carrier Bureau

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